



Consolidated Financial Statements

June 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/12/07



LSU FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007

CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1
 <u>Financial Statements</u>	
Consolidated Statements of Financial Position	2 - 3
Consolidated Statements of Activities	4 - 5
Consolidated Statements of Cash Flows	6 - 7
Notes to Consolidated Financial Statements	8 - 17
 <u>Supplemental Information</u>	
Independent Auditors' Report on Supplemental Information	18
Annual Financial Statement Reporting Packet Formatted for Inclusion in the Annual Financial Statements of the Louisiana State University System	19 - 40



Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
LSU Foundation
Baton Rouge, Louisiana

We have audited the accompanying consolidated statements of financial position of the LSU Foundation, the LSU Property Foundation, the LSU Marine Property Foundation, and the LSU Museum, LLC as of June 30, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the LSU Foundation, the LSU Property Foundation, the LSU Marine Property Foundation, and the LSU Museum, LLC as of June 30, 2007 and 2006, and the consolidated statements of their activities and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Postlethwaite & Netterville

Baton Rouge, Louisiana
August 23, 2007

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2007 and 2006

ASSETS

	<u>2007</u>	<u>2006</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 13,462,777	\$ 11,317,357
Investments	86,589,981	72,162,189
Accrued interest receivable	2,194,561	1,843,295
Accounts receivable, net	996,285	256,779
Unconditional promises to give, net	7,099,141	5,739,777
Deferred charges and prepaid expenses	8,800	8,800
Total current assets	<u>110,351,545</u>	<u>91,328,197</u>
 <u>NONCURRENT ASSETS</u>		
Restricted assets:		
Investments	334,472,454	283,899,932
Investment in partnership	19,962,538	20,480,293
Unconditional promises to give, net	25,849,717	3,276,149
Property and equipment, net	8,937,096	10,193,807
Other noncurrent assets	331,395	263,702
Total noncurrent assets	<u>389,553,200</u>	<u>318,113,883</u>
 Total Assets	 <u><u>\$ 499,904,745</u></u>	 <u><u>\$ 409,442,080</u></u>

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS

	<u>2007</u>	<u>2006</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 1,432,331	\$ 1,388,414
Amounts held in custody for others	1,667,215	1,405,286
Compensated absences payable	158,725	141,406
Current portion of bonds payable	628,395	630,494
Other current liabilities	161,300	309,974
Total current liabilities	<u>4,047,966</u>	<u>3,875,574</u>
<u>NONCURRENT LIABILITIES</u>		
Amounts held in custody for others	73,827,179	64,831,207
Refundable advances	2,017,280	140,000
Bonds payable, net of current portion	11,311,605	11,939,506
Total noncurrent liabilities	<u>87,156,064</u>	<u>76,910,713</u>
 Total liabilities	 <u>91,204,030</u>	 <u>80,786,287</u>
<u>NET ASSETS</u>		
Unrestricted		
Unrestricted - general	10,538,300	9,402,418
Net assets relating to partnership investment	19,962,538	20,480,293
Temporarily restricted	205,113,224	137,492,351
Permanently restricted	173,086,653	161,280,731
Total net assets	<u>408,700,715</u>	<u>328,655,793</u>
 Total Liabilities and Net Assets	 <u>\$ 499,904,745</u>	 <u>\$ 409,442,080</u>

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Changes in unrestricted net assets:		
Contributions	\$ 727,996	\$ 482,633
Investment earnings	7,252,984	6,836,844
Total unrestricted revenues	7,980,980	7,319,477
Net assets released from restrictions:		
Satisfaction of program expenses	21,780,569	21,108,606
Total unrestricted revenues and other support	29,761,549	28,428,083
Expenses:		
Amounts paid to benefit Louisiana State University for:		
Projects specified by donors	21,350,992	19,824,155
Projects specified by the Board of Directors	1,292,235	1,310,074
Total program expenses	22,643,227	21,134,229
Supporting services:		
Salaries and benefits	4,285,448	3,294,420
Occupancy	118,476	114,733
Office operations	513,240	355,047
Travel	207,327	213,436
Professional services	378,715	269,247
Dues and subscriptions	48,522	33,271
Meetings and development	290,376	244,611
Depreciation	658,091	1,707,048
Total supporting services	6,500,195	6,231,813
Total expenses	29,143,422	27,366,042
Increase in unrestricted net assets	618,127	1,062,041

The accompanying notes are an integral part of these statements.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Changes in temporarily restricted net assets:		
Contributions	\$ 47,007,836	\$ 18,835,887
Investment earnings	43,346,262	16,485,046
Loss on the disposition of property and equipment	<u>(952,656)</u>	<u>(49,412)</u>
Total temporarily restricted revenues	89,401,442	35,271,521
Net assets released from restrictions:		
Satisfaction of program expenses	<u>(21,780,569)</u>	<u>(21,108,606)</u>
Increase in temporarily restricted net assets	<u>67,620,873</u>	<u>14,162,915</u>
Changes in permanently restricted net assets:		
Contributions	11,632,027	8,672,959
Investment earnings	<u>173,895</u>	<u>73,287</u>
Increase in permanently restricted net assets	<u>11,805,922</u>	<u>8,746,246</u>
Increase in net assets	80,044,922	23,971,202
Net assets - beginning of year	<u>328,655,793</u>	<u>304,684,591</u>
Net assets - end of year	<u><u>\$ 408,700,715</u></u>	<u><u>\$ 328,655,793</u></u>

The accompanying notes are an integral part of these statements.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Contributions received	\$ 22,995,701	\$ 21,437,571
Interest and dividends received	15,286,428	11,404,348
Grants paid to benefit Louisiana State University	(22,643,227)	(21,134,229)
Cash paid for supporting services	(5,259,455)	(3,036,928)
Interest expense	(512,613)	(468,976)
Net cash provided by operating activities	<u>9,866,834</u>	<u>8,201,786</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(333,745)	(492,483)
Investment in Shaw Center	-	(140,926)
Proceeds from sales of property and equipment	165,765	131,387
Purchases of investments	(85,764,432)	(80,419,863)
Proceeds from sales and maturities of investments	55,759,895	53,122,474
Net increase in funds held in custody and refundable advances	<u>11,275,181</u>	<u>8,154,578</u>
Net cash used in investing activities	<u>(18,897,336)</u>	<u>(19,644,833)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Contributions restricted for endowment purposes	11,632,027	8,672,959
Principal payments on bonds	(630,000)	(155,000)
Investment gains restricted for endowment purposes	<u>173,895</u>	<u>73,287</u>
Net cash provided by financing activities	<u>11,175,922</u>	<u>8,591,246</u>
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	2,145,420	(2,851,801)
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>11,317,357</u>	<u>14,169,158</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u><u>\$ 13,462,777</u></u>	<u><u>\$ 11,317,357</u></u>

The accompanying notes are an integral part of these statements.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2007 and 2006

RECONCILIATION OF CHANGE IN NET
ASSETS TO NET CASH PROVIDED
BY OPERATING ACTIVITIES

	<u>2007</u>	<u>2006</u>
Change in net assets	\$ 80,044,922	\$23,971,202
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) on investments	(25,646,024)	(381,018)
Unrealized loss on investment in Shaw Center	517,755	251,244
Net gain on sales of investments	(9,833,283)	(11,359,323)
Depreciation	658,091	1,707,048
Amortization of bond issuance costs	8,800	8,800
Contributions restricted for endowment purposes	(11,632,027)	(8,672,959)
Investment gains attributable to endowment investments	(173,895)	(73,287)
Loss on disposals of property and equipment	952,656	49,412
Increase in accrued interest receivable	(351,266)	(428,445)
(Increase) Decrease in accounts receivable	(739,506)	281,202
(Increase) Decrease in unconditional promises to give	(30,147,764)	3,247,880
Increase (Decrease) in discount on unconditional promises to give	6,214,832	(1,862,256)
Decrease in prepaid expenses	-	558,432
(Increase) Decrease in other assets	(67,693)	452,225
Increase in accounts payable and other liabilities	61,236	451,629
Net cash provided by operating activities	<u>\$ 9,866,834</u>	<u>\$ 8,201,786</u>

The accompanying notes are an integral part of these statements.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies and Presentations

Organization and Purpose

The LSU Foundation (the Foundation) is a non-profit organization which was organized to promote the educational and cultural welfare of the Louisiana State University System Office, the Louisiana State University and Agricultural and Mechanical College, the Louisiana State University Agricultural Center, and the Paul M. Hebert Law Center, herein collectively referred to as "the University", by accepting contributions for the purpose of providing scholarships and aiding research or other designated projects for the benefit of the University.

Consolidation

The Foundation elects all of the members of the LSU Property Foundation's board of directors and, therefore, is considered to have a majority voting interest in the LSU Property Foundation's board. The LSU Property Foundation is the sole member of the LSU Marine Property Foundation. Also, the LSU Property Foundation is the sole member of the LSU Museum, LLC. As such, the consolidated financial statements of the Foundation include the accounts of the LSU Property Foundation, the LSU Marine Property Foundation, and the LSU Museum, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash Equivalents

The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Occasionally, the Foundation has deposits in excess of FDIC insured limits. Management believes the credit risk associated with these deposits is minimal.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies and Presentations (continued)

Income Taxes

The Foundation operates as a public charity under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes and the excise tax which applies to certain foundations.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at their realizable value if they are expected to be collected in one year and at their fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. An allowance for doubtful accounts has been established based on management's assessment of collectibility.

Property and Equipment

Purchased property and equipment are recorded at cost. Property and equipment donated to the Foundation are recorded at their fair market values at the date of donation. Depreciation is provided over the estimated useful lives of exhaustible assets on a straight-line basis. Inexhaustible assets, such as artwork and collections, are not depreciated. These inexhaustible assets are evaluated for impairment annually.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices. For those investments where quoted market prices are unavailable, management estimates fair value based on information provided by the fund managers or the general partners. Dividend, interest, and other investment income are recorded as increases in either unrestricted, temporarily restricted or permanently restricted net assets depending on donor stipulations.

Donated investments are recorded at their market value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost basis of the securities sold, using the specific identification method. Realized gains and losses are recognized in the Foundation's current operations.

Non-monetary Transactions

The University provides insurance coverage and data processing services to the Foundation. In exchange for these services, the Foundation funds the purchase of a significant amount of supplies and equipment for use by the University in its normal operations. Both the University and the Foundation consider the values received to be commensurate with the values provided by the other party.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies and Presentations (continued)

Funds Held in Custody

The Foundation considers all state matching funds and unexpended income from these funds to be reported as funds held in custody. Additionally, amounts held for other University affiliated foundations are also reported as funds held in custody.

Accrued Vacation Leave

The Foundation records a liability for accrued vacation of its employees. The liability is included in the compensated absences payable line item on the statements of financial position at June 30, 2007 and 2006 in the amounts of \$158,725 and \$141,406, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Values of Financial Instruments

The Foundation's financial instruments, excluding investments which are described in Note 2, include cash and cash equivalents, bonds payable, and unconditional promises to give. The Foundation estimates that the fair values of all its financial instruments at June 30, 2007 and 2006 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

Reclassification

Certain reclassifications have been made on the 2006 financial statements and footnotes to conform with the 2007 presentation.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Investments

Investments in debt and equity securities with readily determinable fair values are stated at their fair value based on quoted market prices and other fair value information. Investments were comprised of the following at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Certificate of deposit	\$ 395,000	\$ 395,000
Government obligations	103,621,507	101,893,242
Corporate obligations	12,582,722	4,775,434
Corporate stocks and common stock index mutual funds	210,225,775	179,695,804
Mortgage-backed securities and CMOs	52,793,505	53,738,625
Private equity	4,027,042	1,006,032
Hedged funds	31,038,964	13,761,776
Venture capital	221,849	126,028
Land	522,652	522,652
Royalty interest	148,501	147,528
Emerging Market	5,484,918	-
	<u>\$ 421,062,435</u>	<u>\$ 356,062,121</u>

The certificate of deposit is currently pledged as collateral for a loan held by a donor-related party. The donor of the certificate stipulated that it remain as collateral for the loan until the indebtedness was paid in full. The loan is scheduled to mature in November 2012. The certificate of deposit, therefore, remains pledged as of June 30, 2007, and will remain pledged until the remaining balance is paid.

Investment earnings were comprised of the following for the years ended June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Interest and dividend income	\$ 15,811,589	\$ 11,906,080
Realized gains on sales of investments	9,833,283	11,359,323
Unrealized gain on investments		
- debt and equity securities	25,646,024	381,018
Unrealized loss on investment in		
Shaw Center for the Arts, LLC	(517,755)	(251,244)
	<u>\$ 50,773,141</u>	<u>\$ 23,395,177</u>

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Property and Equipment

A summary of property and equipment at June 30, 2007 and 2006 follows:

	<u>2007</u>	<u>2006</u>
Computers	\$ 3,451,943	\$ 3,551,259
Furniture and equipment	1,312,979	1,245,391
Marine equipment	-	10,000
Buildings	137,146	137,146
Construction in progress	<u>1,430,317</u>	<u>1,307,633</u>
	6,332,385	6,251,429
Less: accumulated depreciation	(4,443,809)	(3,833,743)
	1,888,576	2,417,686
Land	176,912	81,298
Artwork and other non-depreciable assets	<u>6,871,608</u>	<u>7,694,823</u>
	<u>\$ 8,937,096</u>	<u>\$ 10,193,807</u>

4. Funds Held In Custody

Under agreements with the University and certain other charitable organizations which support the University, the Foundation manages and holds for deposit, designated funds for these entities. The funds being held at June 30, 2007 and 2006 were as follows:

	<u>2007</u>	<u>2006</u>
LSU - Alexandria Foundation	\$ 9,206,744	\$ 8,260,406
LSU - Eunice Foundation	1,283,249	1,158,781
Tiger Athletic Foundation	2,378,049	-
State Matching Funds Managed for the University	60,616,410	55,366,237
Charitable Remainder Trusts and Gift Annuities	<u>2,009,942</u>	<u>1,451,069</u>
	75,494,394	66,236,493
Less: portion classified as current	(1,667,215)	(1,405,286)
	<u>\$ 73,827,179</u>	<u>\$ 64,831,207</u>

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Retirement Contributions and Expense

The Foundation has a 401(k) retirement plan for its employees. The Foundation contributes up to 7% of the employee's salary to the plan. An employee is vested 100% upon beginning employment with the Foundation. The retirement plan requires a minimum participation age of 21. The Foundation contributed \$207,139 and \$160,359 to the plan during the years ended June 30, 2007 and 2006, respectively.

6. Operating Lease

The Foundation leases office space from the Louisiana State University Alumni Association on a month-to-month basis. For the years ended June 30, 2007 and 2006, rent expense incurred under this agreement totaled approximately \$112,000 for each year.

7. Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions by satisfaction of the restricted purposes or by occurrence of other events specified by the donors during the years ended June 30, 2007 and 2006, as follows:

	<u>2007</u>	<u>2006</u>
Chairs and professorships	\$ 2,249,811	\$ 2,430,147
Scholarships and fellowships	5,435,126	3,404,089
Specific academic and research projects	6,143,428	5,117,915
Academic support	3,702,462	2,492,315
Capital outlay and improvements	3,079,672	2,394,685
Research support	351,995	325,399
Institutional support	818,075	4,944,056
	<u>\$ 21,780,569</u>	<u>\$ 21,108,606</u>

8. Net Assets

Temporarily restricted net assets at June 30, 2007 and 2006 were available for grants to support Louisiana State University in the following general areas:

	<u>2007</u>	<u>2006</u>
Chairs and professorships	\$ 52,879,841	\$ 37,796,574
Scholarships and fellowships	26,239,338	20,493,662
Specific academic and research projects	42,000,907	25,175,905
Academic support	28,484,008	13,837,440
Capital outlay and improvements	23,980,562	25,786,247
Research support	5,620,226	2,189,513
Institutional support	25,908,342	12,213,010
	<u>\$ 205,113,224</u>	<u>\$ 137,492,351</u>

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Net Assets (continued)

Permanently restricted net assets at June 30, 2007 and 2006 were restricted to investments in perpetuity, the income from which is expendable to support the activities below:

	<u>2007</u>	<u>2006</u>
Chairs and professorships	\$ 91,130,891	\$ 88,741,485
Scholarships and fellowships	42,047,462	39,844,434
Specific academic and research projects	23,296,998	21,372,904
Academic support	11,887,880	5,588,787
Capital outlay and improvements	797,618	788,768
Research support	1,604,564	1,576,264
Institutional support	2,321,240	3,368,089
	<u>\$ 173,086,653</u>	<u>\$ 161,280,731</u>

9. Board-Designated Endowment

According to policy, the Foundation's Board of Directors has earmarked a portion of unrestricted and temporarily restricted net assets as board-designated endowed (quasi-endowed) funds to be invested to provide income for a long, but unspecified period. The principal of these board-designated funds, which results from internal designation, is not donor endowed and therefore is not classified as permanently restricted. The following is a recap of these funds:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Board-designated endowed funds June 30, 2007	<u>\$ 6,838,870</u>	<u>\$ 30,978,506</u>
Board-designated endowed funds June 30, 2006	<u>\$ 6,866,364</u>	<u>\$ 19,760,688</u>

10. Unconditional Promises to Give

Unconditional promises to give at June 30, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Promises to give expected to be collected in:		
Less than one year	\$ 7,236,537	\$ 5,921,445
One to five years	23,193,824	3,842,224
More than five years	<u>9,442,800</u>	<u>6,000</u>
	39,873,161	9,769,669
Less discount on promises to give	(6,786,907)	(572,075)
Less allowance for uncollectible accounts	<u>(137,396)</u>	<u>(181,668)</u>
Net unconditional promises to give	<u>\$ 32,948,858</u>	<u>\$ 9,015,926</u>

The discount rate used in discounting unconditional promises to give was 6.25% and 5.00% as of June 30, 2007 and 2006, respectively.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Conditional Promises to Give

The EJ Ourso College of Business of Louisiana State University has embarked on a capital campaign for the construction of a new business education complex. The Foundation has received conditional and unconditional pledges relating to this campaign. Pledges received which are conditional on the construction of the complex totaled \$4.6 million at June 30, 2007. As of the year ended June 30, 2007, the Foundation has received to date \$2,017,280 on these conditional pledges. Given these pledges do not meet the revenue recognition criteria under generally accepted accounting principles, they are not reflected as contributions in the statement of activity and the pledge payments received to date for these pledges are reflected as refundable advances until the condition of the pledge agreement is met.

12. Commitments

The LSU Property Foundation has approved three projects that are currently being constructed or should be started in the near future. Contracts for these projects, which have estimated budgets totaling \$3,790,000, have been executed for a total of \$1,104,000. Commitments remaining on these contracts total \$748,000 at June 30, 2007, and there is \$2,519,000 on hand to meet these commitments.

The Foundation committed \$1,350,000 to Louisiana Fund I (LA Fund I), L.P., a Delaware Limited Partnership in October of 2004. As of June 30, 2007, capital contributions to date totaled \$351,000 to Louisiana Fund I.

13. Bonds Payable

On May 1, 2003, the Foundation participated in borrowing, along with several other organizations, the proceeds of revenue bonds totaling \$31,555,000 issued by the Louisiana Public Facilities Authority. The Foundation's portion of the borrowing was \$12,725,000. The Foundation is scheduled to repay the funds borrowed over a 22 year period. The borrowed proceeds from the issuance were used to help fund several construction projects including the Shaw Center for the Arts. The unused bond proceeds are currently invested in short-term investments with the trustee bank.

Interest is currently being paid using a weekly rate as determined by the remarketing agent. The interest rates at June 30, 2007 and 2006 were 5.05% and 4.88%, respectively. Total interest expense incurred on the bonds for the years ended June 30, 2007 and 2006 was \$512,613 and \$468,976, respectively. The bonds are collateralized by future revenues of the Foundation.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. Bonds Payable (continued)

The principal portion of the current outstanding debt is scheduled to mature as follows:

Year ending June 30,	
2008	\$ 628,395
2009	628,395
2010	628,395
2011	628,395
2012	628,395
2013-2017	3,141,975
2018-2022	3,141,975
2023-2026	2,514,075
	<u>\$ 11,940,000</u>

14. Investment in Shaw Center for the Arts

The LSU Foundation is a 50% investor in the Shaw Center for the Arts, LLC. The investment recorded on the statements of financial position, \$19,962,538 and \$20,480,293 at June 30, 2007 and 2006, respectively, is accounted for by the equity method. The summarized un-audited financial information as of June 30, 2007 and audited financial information as of June 30, 2006 of the Shaw Center for the Arts, LLC is as follows:

	<u>2007</u>	<u>2006</u>
Total assets	\$ 39,996,011	\$ 41,063,178
Total liabilities	\$ 70,935	\$ 77,952
Net (loss)	\$ (1,060,150)	\$ (146,894)

15. Transactions with the University

The Foundation has certain transactions in the normal course of operations with the University. The transactions consist of reimbursement for salaries, which are processed by the University; reimbursement for certain expenses paid by the University on behalf of the Foundation; and payment of scholarships to the University. The amount owed to the University at June 30, 2007 and 2006 for these types of expenses was \$1,309,291 and \$1,117,433, respectively.

The University provides insurance liability coverage to the Foundation under the University's coverage through the Office of Risk Management which was created within the Division of Administration of the State of Louisiana pursuant to LRS 39:527-547. The insurance coverage provides a \$5 million self-insurance fund.

16. Development Expenses

The Foundation incurred expenses totaling \$3,615,160 and \$2,744,330 for the years ending June 30, 2007 and 2006, respectively, relating to development and fundraising. Such amounts are included in supporting services in the accompanying statements of activities.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Capital Campaign

At the end of the Foundation's previous fiscal year, the University publicly announced the largest capital campaign in the University's history. The University is currently in the active phase of the campaign, known as "Forever LSU: The Campaign for Louisiana State University," the goal of which is to raise \$750 million by the year 2010. The Foundation plays a major leadership role in the fundraising efforts for the campaign.

SUPPLEMENTAL INFORMATION

ANNUAL FINANCIAL STATEMENT REPORTING PACKET
FORMATTED FOR INCLUSION IN THE ANNUAL FINANCIAL STATEMENTS
OF THE LOUISIANA STATE UNIVERSITY SYSTEM



Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

The Board of Directors
LSU Foundation
Baton Rouge, Louisiana

Our report on the audit of the consolidated financial statements of the LSU Foundation, the LSU Property Foundation, the LSU Marine Property Foundation, and the LSU Museum, LLC, as of and for the year ended June 30, 2007, appears on page 1. That audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Annual Financial Statement Reporting Packet, presented as supplementary information, is not a required part of the basic financial statements, but is supplementary information required by the Louisiana State University System. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
August 23, 2007

LSU FOUNDATION
BATON ROUGE, LOUISIANA

STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

ASSETS

Current Assets

Cash and cash equivalents	\$ 13,462,777
Investments	86,589,981
Accounts receivable, net	996,285
Pledges receivable	7,099,141
Due from other campuses	-
Due from State Treasury	-
Inventories	-
Deferred charges and prepaid expenses	8,800
Notes receivable	-
Other current assets	2,194,561
Total current assets	<u>110,351,545</u>

Noncurrent Assets

Restricted assets:

Cash and cash equivalents	-
Investments	334,472,454
Accounts receivable, net	-
Notes receivable	-
Other	-
Investments	19,962,538
Pledges receivable	25,849,717
Notes receivable	-
Capital assets, net	8,937,096
Assets under capital leases, net	-
Other noncurrent assets	331,395
Total noncurrent assets	<u>389,553,200</u>

Total assets	<u>\$ 499,904,745</u>
---------------------	------------------------------

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,432,331
Due to other campuses	-
Due to State Treasury	-
Deferred revenues	-
Amounts held in custody for others	1,667,215
Compensated absences payable	158,725
Capital lease obligations	-
Notes payable	-
Contracts payable	-
Bonds payable	628,395
Other current liabilities	161,300
Total current liabilities	<u>4,047,966</u>

Noncurrent Liabilities

Amounts held in custody for others	73,827,179
Compensated absences payable	-
Capital lease obligations	-
Notes payable	-
Contracts payable	-
Bonds payable	11,311,605
Other noncurrent liabilities	2,017,280
Total noncurrent liabilities	<u>87,156,064</u>

Total liabilities

\$ 91,204,030

NET ASSETS

Invested in capital assets, net of related debt	8,937,096
Restricted for:	
Nonexpendable	173,086,653
Expendable	205,113,224
Unrestricted	21,563,742
Total net assets	<u>\$ 408,700,715</u>

LSU FOUNDATION
BATON ROUGE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

OPERATING REVENUES

Student tuition and fees	\$ -
Less scholarship allowances	-
Net student tuition and fees	-
Gifts received by the foundations	47,735,832
Earnings on foundation endowments	40,939,858
Federal appropriations	-
Federal grants and contracts	-
State and local grants and contracts	-
Nongovernmental grants and contracts	-
Sales and services of educational departments	-
Hospital income	-
Auxiliary enterprise revenues, including revenues pledged as security for bond issues	-
Less scholarship allowances	-
Net auxiliary revenues	-
Other operating revenues	-
Total operating revenues	<u>88,675,690</u>

OPERATING EXPENSES

Educational and general	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operation and maintenance of plant	-
Scholarships and fellowships	-
Auxiliary enterprises	-
Hospital	-
Other operating expenses	6,500,195
Total operating expenses	<u>6,500,195</u>
Operating income (loss)	<u>82,175,495</u>

LSU FOUNDATION
BATON ROUGE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

NONOPERATING REVENUES AND (EXPENSES)

State appropriations	\$ -
Gifts	-
Net investment income (loss)	9,833,283
Interest expense	-
Payments to or on behalf of the university	(22,643,227)
Other nonoperating revenues (expenses)	(952,656)
Net nonoperating revenues (expenses)	(13,762,600)
Income before other revenues, expenses,	
gains, and losses	68,412,895
Capital appropriations	-
Capital gifts and grants	-
Additions to permanent endowments	11,632,027
Other additions, net	-
Increase (decrease) in net assets	80,044,922
Net assets at beginning of year	328,655,793
Net assets at end of year	\$ 408,700,715

Note A. 15 Component Units

Each component unit should provide the following:

Note A. 15 Component Units

1. A brief description of the component unit.

The LSU Foundation is a legally separate, tax-exempt organization supporting the LSU System, specifically the following campus: Baton Rouge. This foundation was included in the university's financial statements because its assets equaled 3% or more of the assets of the university system it supports.

During the year ended June 30, 2007, the LSU Foundation made distributions to or on behalf of the university for both restricted and unrestricted purposes in the amount of : \$22,643,227

Complete financial statements for the LSU Foundation can be obtained from:

3838 West Lakeshore Drive, Baton Rouge, Louisiana 70808
(mailing address)

or from the foundation's website at: www.lsufoundation.org

The LSU Foundation is a nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the foundation's financial information in the university's financial report for these differences.

Component Unit

SCHEDULE OF CAPITAL ASSETS
(schedule includes capital leases)

	Balance 6/30/2006	Prior Period Adjustment	Restated Balance 6/30/2006	Additions	Transfers	Retirements	Balance 6/30/2007
Capital assets not being depreciated							
Land	\$ 81,298	\$ -	\$ 81,298	\$ 100,850	\$ -	\$ (5,236)	\$ 176,912
Non-depreciable land improvements							
Capitalized collections	7,694,823		7,694,823	280,131		(1,103,346)	6,871,608
Livestock							
Construction in progress	1,307,633		1,307,633	131,576		(8,893)	1,430,316
Total capital assets not being depreciated	\$ 9,083,754	\$ -	\$ 9,083,754	\$ 512,557	\$ -	\$ (1,117,475)	\$ 8,478,836
Other capital assets							
Infrastructure							
Less accumulated depreciation							
Total Infrastructure							
Depreciable land improvements							
Less accumulated depreciation							
Total land improvements							
Buildings							
Less accumulated depreciation	137,146		137,146				137,146
Total buildings	(20,857)		(20,857)	(6,857)			(27,714)
	116,289		116,289	(6,857)			109,432
Equipment							
Less accumulated depreciation	4,806,850		4,806,850	128,792		(170,519)	4,764,923
Total equipment	(3,812,886)		(3,812,886)	(849,420)		46,211	(4,418,095)
	993,784		993,784	(520,628)		(124,308)	348,828
Library books							
Less accumulated depreciation							
Total library books							
Total other capital assets	\$ 1,110,053	\$ -	\$ 1,110,053	\$ (527,485)	\$ -	\$ (124,308)	\$ 458,260
Capital Asset Summary:							
Capital assets not being depreciated	\$ 9,083,754	\$ -	\$ 9,083,754	\$ 512,557	\$ -	\$ (1,117,475)	\$ 8,478,836
Other capital assets, at cost	4,943,796		4,943,796	128,792		(170,519)	4,902,069
Total cost of capital assets	14,027,550		14,027,550	641,349		(1,287,994)	13,380,905
Less accumulated depreciation	(3,833,743)		(3,833,743)	(656,277)		46,211	(4,443,809)
Capital assets, net	\$ 10,193,807	\$ -	\$ 10,193,807	\$ (14,826)	\$ -	\$ (1,241,783)	\$ 8,937,086

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number with the exception of accumulated depreciation in the retirement and prior period adjustment column.

Note 1. Bonds & notes payable & capital leases.

Campuses and component units complete the appropriate section.

System	Year ended June 30, 2007				
	Balance June 30, 2006	Additions	Reductions	Balance at June 30, 2007	Amounts due within one year
Notes & bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	-	-	-	-
Total bonds and notes payable	-	-	-	-	-
Other liabilities:					
Compensated absences payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Amounts held in custody for others	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
Total other liabilities	-	-	-	-	-
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Component Units	Balance June 30, 2006	Additions	Reductions	Balance at June 30, 2007	Amounts due within one year
Notes & bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	12,570,000	-	630,000	11,940,000	628,395
Total bonds and notes payable	12,570,000	-	630,000	11,940,000	628,395
Other liabilities:					
Compensated absences payable	141,408	17,319	-	158,725	158,725
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Amounts held in custody for others	66,096,493	7,380,621	-	73,477,114	1,667,215
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
Other liabilities	-	2,017,280	-	2,017,280	-
Total other liabilities	66,237,899	9,415,220	-	75,653,119	1,825,940
Total long-term liabilities	\$ 78,807,899	\$ 9,415,220	\$ 630,000	\$ 87,593,119	\$ 2,454,335
Combined Total	Balance June 30, 2006	Additions	Reductions	Balance at June 30, 2007	Amounts due within one year
Notes & bonds payable:					
Notes payable	-	-	-	-	-
Bonds payable	12,570,000	-	630,000	11,940,000	628,395
Total bonds and notes payable	12,570,000	-	630,000	11,940,000	628,395
Other liabilities:					
Compensated absences payable	141,408	17,319	-	158,725	158,725
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Amounts held in custody for others	66,096,493	7,380,621	-	73,477,114	1,667,215
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
Other liabilities	-	2,017,280	-	2,017,280	-
Total other liabilities	66,237,899	9,415,220	-	75,653,119	1,825,940
Total long-term liabilities	\$ 78,807,899	\$ 9,415,220	\$ 630,000	\$ 87,593,119	\$ 2,454,335

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

Note P. Capital Leases**Campuses and component units complete the appropriate section.**

Does your campus record items under capital leases as an asset and an obligation in the accompanying financial statements? Yes / No
N/A

Report all capital leases (including LA Equipment Acquisition Fund [LEAF] leases) in effect as of 6/30/2007.

UNIVERSITYSYSTEM CAPITAL LEASES

<u>Nature of lease</u>	<u>Date of lease</u>	<u>Gross amount of leased assets (historical cost)</u>	<u>Last payment date</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	N/A	\$		\$	\$
b. Equipment	N/A				
c. Land	N/A				
Total assets under cap. lease		\$ -		\$ -	\$ -

COMPONENT UNIT CAPITAL LEASES

<u>Nature of lease</u>	<u>Date of lease</u>	<u>Gross amount of leased assets (historical cost)</u>	<u>Last payment date</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	N/A	\$		\$	\$
b. Equipment	N/A				
c. Land	N/A				
Total assets under cap. lease		\$ -		\$ -	\$ -

Note P. Lease Payments

Campuses and component units complete the appropriate column

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2007.

Note: This schedule is not applicable to LSU Foundation.

<u>Year ending June 30:</u>	<u>Future minimum lease payment</u>		<u>Total:</u>
	<u>University/System</u>	<u>Component Units:</u>	
2008	\$ _____	\$ _____	\$ _____ -
2009	_____	_____	_____ -
2010	_____	_____	_____ -
2011	_____	_____	_____ -
2012	_____	_____	_____ -
2013-2017	_____	_____	_____ -
2018-2022	_____	_____	_____ -
2023-2027	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
	_____	_____	_____ -
Total minimum lease payments	_____ -	_____ -	_____ -
Less: amounts representing executory costs	_____ -	_____ -	_____ -
Net minimum lease payments	_____ -	_____ -	_____ -
Less: amounts representing interest	_____ -	_____ -	_____ -
Present value - net minimum lease payments	_____ -	_____ -	_____ -

Note: If lease payments extend past FY2026 create additional rows and report these future minimum lease payments in five year increments. I've added three rows for you just in case you need them. You may need to add more.

Note P. Lessor Direct Financing Leases

Campuses and component units complete the appropriate section

<u>University/System</u> <u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease</u> <u>payment</u> <u>receivable</u>	<u>Remaining</u> <u>interest to</u> <u>end of lease</u>	<u>Remaining</u> <u>principal to</u> <u>end of lease</u>
a. Office Space	N/A	\$	\$	\$
b. Equipment	N/A			
c. Land	N/A			
Less amounts representing executory costs		()()(
Minimum lease payment receivable		-	-	-
Less allowance for doubtful accounts		()()(
Net minimum lease payments receivable		-	-	-
Estimated residual values of leased property				
Less unearned income		()()(
Net investment in direct financing leases		\$	\$	\$

<u>Component Unit(s)</u> <u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease</u> <u>payment</u> <u>receivable</u>	<u>Remaining</u> <u>interest to</u> <u>end of lease</u>	<u>Remaining</u> <u>principal to</u> <u>end of lease</u>
a. Office Space	N/A	\$	\$	\$
b. Equipment	N/A			
c. Land	N/A			
Less amounts representing executory costs		()()(
Minimum lease payment receivable		-	-	-
Less allowance for doubtful accounts		()()(
Net minimum lease payments receivable		-	-	-
Estimated residual values of leased property				
Less unearned income		()()(
Net investment in direct financing leases		\$	\$	\$

Minimum lease payments do not include contingent rentals, which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2007 were:

N/A for office space
N/A for equipment
N/A for land

Note P. Future Minimum Lease Receivables

Campuses and component units complete the appropriate column

Note: This schedule is not applicable to LSU Foundation.

The following is a schedule by years of minimum lease receivable for the remaining fiscal years of the lease as of June 30, 2007:

Year ending _____:	Future minimum lease receivables:		
	<u>University/System</u>	<u>Component Unit(s)</u>	<u>Total</u>
2008	\$ _____	\$ _____	\$ -
2009	_____	_____	-
2010	_____	_____	-
2011	_____	_____	-
2012	_____	_____	-
2013-2017	_____	_____	-
2018-2022	_____	_____	-
2023-2027	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
Total	\$ -	\$ -	\$ -

Note: If lease receivables extend past FY2027 create additional rows and report these future minimum lease receivables in five year increments. I've added three rows for you just in case you need them. You may need to add more.

Campuses and component units complete the appropriate section

	University/System	Component Unit (s)	Total
Ending net assets 6/30/06 as reported to OSRAP on PY AFR	\$ -	\$ 328,655,793	\$ 328,655,793
Adjustments to ending net assets 6/30/06 (after AFR) was submitted to OSRAP (+ or -)			-
Total	\$ -	\$ 328,655,793	\$ 328,655,793
Restatements (adjustments to beg. Balance 7/1/06) (+ or -)			-
Beginning net assets 7/1/2006, as restated	\$ -	\$ 328,655,793	\$ 328,655,793

[illegible]

NOTE: Net Assets at July 1, 2006, previously reported, must correspond to Net Assets at June 30, 2006 per information received from OSRAP.

SCHEDULE 1-A COMPONENT UNIT

Please update the amounts from last year as necessary

STATE OF LOUISIANA

LSU Foundation

SCHEDULE OF BONDS PAYABLE

June 30, 2007

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/06	(Redeemed) Issued	Principal Outstanding 6/30/2007 *	Interest Rates	Interest Outstanding 6/30/07
LSU Foundation							
Pooled Loan Program Revenue Bonds Series 2003A	04/01/03	\$ 12,725,000	\$ 12,570,000	\$ (630,000)	\$ 11,940,000	variable	\$ 3,765,690
Total		<u>\$ 12,725,000</u>	<u>\$ 12,570,000</u>	<u>\$ (630,000)</u>	<u>\$ 11,940,000</u>		<u>\$ 3,765,690</u>

Send copies of new amortization schedules for each new bond issuance for the component units included in the university's financial statements.

SCHEDULE 1-A (Component Unit)

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2007

	Date of Issue	Original Issue	Principal Outstanding 6/30/06	Issued (Redeemed)	Principal Outstanding 6/30/07 *	Interest Rates	Interest Outstanding 6/30/07
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Note: Principal outstanding at 6/30/06 should agree to Contracts Payable on the Statement of Net Assets.

Send copies of new amortization schedules

SCHEDULE 1-B (Component Unit)

Schedule 1-C COMPONENT UNIT

Please update the amounts from last year as necessary

STATE OF LOUISIANA

LSU Foundation

SCHEDULE OF NOTES PAYABLE
June 30, 2007

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/06	(Redeemed) Issued	Principal Outstanding 6/30/2007 *	Interest Rates	Interest Outstanding 6/30/07
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$ -	\$ -	\$ -	\$ -	N/A	\$ -

* Note: Principal outstanding at 6/30/06 should agree to Notes Payable on the Statement of Net Assets.

Send copies of new amortization schedules

SCHEDULE 1-C (Component Unit)

Schedule 2-A COMPONENT UNIT

LSU Foundation

Schedule of Bonds Payable Amortization
for the Year Ended June 30, 2007

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	628,395	397,110	1,025,505
2009	628,395	373,975	1,002,370
2010	628,395	351,925	980,320
2011	628,395	330,050	958,445
2012	628,395	308,844	937,239
2013	628,395	285,950	914,345
2014	628,395	264,075	892,470
2015	628,395	242,025	870,420
2016	628,395	220,578	848,973
2017	628,395	198,100	826,495
2018	628,395	176,050	804,445
2019	628,395	154,000	782,395
2020	628,395	132,487	760,882
2021	628,395	110,075	738,470
2022	628,395	88,025	716,420
2023	628,395	66,150	694,545
2024	628,395	44,221	672,616
2025	628,395	22,050	650,445
2026	628,890	-	628,890
TOTAL	\$11,940,000	\$3,765,690	\$15,705,690

List the terms by which interest rate changes for variable-rate debt:

Interest is currently being paid using a weekly rate as determined by the remarketing agent.

Schedule 2-A (Component Unit)

Schedule 2-B COMPONENT UNIT

LSU Foundation

Schedule of Notes Payable Amortization
for the Year Ended June 30, 2007

Fiscal Year Ending	Principal	Interest	Total
2008	N/A	N/A	N/A
2009	N/A	N/A	N/A
2010	N/A	N/A	N/A
2011	N/A	N/A	N/A
2012	N/A	N/A	N/A
2013-2017	N/A	N/A	N/A
2018-2022	N/A	N/A	N/A
2023-2027	N/A	N/A	N/A
2028-2032	N/A	N/A	N/A
2033-2037	N/A	N/A	N/A
TOTAL	\$0	\$0	\$0

List the terms by which interest rate changes for variable-rate debt:

Not applicable.

Schedule 2-B (Component Unit)

Schedule 2-C Component Unit

LSU Foundation

SCHEDULE OF CAPITAL LEASE AMORTIZATION For the Year Ended June 30, 2007

Fiscal Year Ending	Beginning Balance	Payment	Interest	Principal	Balance
2008	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2013-2017	N/A	N/A	N/A	N/A	N/A
2018-2022	N/A	N/A	N/A	N/A	N/A
2023-2027	N/A	N/A	N/A	N/A	N/A
2028-2032	N/A	N/A	N/A	N/A	N/A
2033-2037	N/A	N/A	N/A	N/A	N/A
TOTAL	-	-	-	-	-

List the terms by which interest rate changes for variable-rate debt:

Not applicable.

Schedule 2-C (Component Unit)

Schedule 2-D Component Unit

LSU Foundation

Schedule of Reimbursement Contracts Payable Amortization
for the Year Ended June 30, 2007

Fiscal Year Ending	Principal	Interest
2008	N/A	N/A
2009	N/A	N/A
2010	N/A	N/A
2011	N/A	N/A
2012	N/A	N/A
2013	N/A	N/A
2014	N/A	N/A
2015	N/A	N/A
2016	N/A	N/A
2017	N/A	N/A
2018	N/A	N/A
2019	N/A	N/A
2020	N/A	N/A
2021	N/A	N/A
2022	N/A	N/A
2023	N/A	N/A
2024	N/A	N/A
2025	N/A	N/A
2026	N/A	N/A
2027	N/A	N/A
2028	N/A	N/A
2029	N/A	N/A
2030	N/A	N/A
2031	N/A	N/A
2032	N/A	N/A
2033	N/A	N/A
2034	N/A	N/A
2035	N/A	N/A
2036	N/A	N/A
2037	N/A	N/A
TOTAL	\$0	\$0

List the terms by which interest rate changes for variable-rate debt:

Not applicable.

Schedule 2-D (Component Unit)

System Office Note 17: Restricted Net Assets - Component Units

Please report the composition of your restricted assets. If none, please indicate so on the form.

	LSU Foundation	Tiger Athletic Foundation	UNO Foundation	UNO R & T Foundation	Pennington Medical Foundation	HSC N.O. Foundation
Temporarily restricted:						
Chairs and professorships	52,879,841					
Scholarships and fellowships	26,239,336					
Specific academic and research projects	42,000,907					
Academic support	28,484,008					
Capital outlay and improvements	23,980,562					
Research support	5,620,226					
Institutional support	25,908,342					
Faculty - salary supplements						
Donor restrictions						
Restricted contributions receivable						
Restricted accounts payable						
Building funds						
Educational studies program						
Total temporarily restricted	205,113,224	0	0	0	0	0
Permanently restricted						
Chairs and professorships	91,130,891					
Scholarships and fellowships	42,047,462					
Specific academic and research projects	23,296,998					
Academic support	11,887,880					
Capital outlay and improvements	797,618					
Research support	1,604,564					
Institutional support	2,321,240					
Endowment Funds						
Educational studies program						
Faculty - salary supplements						
Total permanently restricted	173,086,653	0	0	0	0	0

System Note 25. Cooperative Endeavor Agreements - Component Units

Below is the language included in the FY 06 financial statements regarding significant cooperative endeavor agreements entered into by your foundation. Please carefully review and update as necessary the portion that applies to your foundation.

If your foundation discloses a cooperative endeavor agreement in its financial report please include the disclosure in the second text box below.

Not applicable.

System Note 26. Amounts Held in Custody for Others - Component Units

Shown are the amounts reported for FY 06. Please update for your Foundation for FY 07 (or year ending 12/31/06)

Entity	LSU Foundation	Tiger Athletic Foundation*	LSU Health Sciences Center Foundation	UNO Foundation	UNO Research and Technology Foundation	Pennington Medical Foundation*	Total
LSU at Alexandria Foundation	9,206,744						9,206,744
LSU at Eunice Foundation	1,283,249						1,283,249
State matching funds managed for LSU	60,616,410						60,616,410
Charitable remainder trusts	2,009,942						2,009,942
Tiger Athletic Foundation	2,378,049						2,378,049
Various affiliated organizations							0
Building tenant security deposits							0
Total temporarily restricted	\$75,494,394	\$0	\$0	\$0	\$0	\$0	\$75,494,394

* As of December 31, 2006